



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 184 of the 128th G.A.](#)

Date: June 23, 2009

Status: As Introduced

Sponsor: Rep. Combs

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Requires state agencies and political subdivisions to follow certain immigration verification procedures

State and Local Fiscal Highlights

- **Verification of citizenship.** The bill would require state agencies and political subdivisions to use a federal system to verify the citizenship and work eligibility of all new employees. Although this might impose some new administrative responsibilities on state and local governments, it appears as though this provision would not generate substantial new costs, as the verification system is provided gratis by the U.S. Department of Homeland Security.
- **Public contracts.** The bill would prohibit all state agencies and political subdivisions from entering into contracts for goods or services with any vendor that did not use the employee verification system mentioned above. Although state agencies and political subdivisions would have to ensure compliance with this provision, this requirement is unlikely to add to the cost of goods and services. According to information supplied in the Department of Administrative Services' (DAS) budget request for FY 2010-FY 2011, that agency procures over \$500 million in goods and services annually on behalf of state agencies, institutions of higher education, and political subdivisions.

Detailed Fiscal Analysis

Overview

The bill outlines several new requirements regarding immigration work status and certain related aspects of law enforcement. These cover three principal areas: (1) all employers, including public employers, would be required to use a verification system to determine the work status of employees, (2) state agencies and political subdivisions would be prohibited from entering into a contract with a vendor that does not use a work-status verification system, and (3) jails would be required to determine the citizenship status of prisoners. In addition, political subdivisions would be prohibited from adopting an ordinance or a policy that restricts a public agency from sending or receiving information from the Department of Homeland Security. The bill would also expand the factors that judges must consider when determining whether or not a person charged with a criminal offense is eligible for bail and at what amount the bail is to be set. While the bill could create some new administrative duties for state and local agencies as well as county jails and courts, it appears as though these new responsibilities are unlikely to add significant new costs for these entities.

Work-status and citizenship verification

The bill would require all employers, both public and private, to register with a federal work-status verification system, such as the e-verify system provided by the Department of Homeland Security. Such systems are used to determine the identity and legal working status of newly hired employees. The state currently does not use the e-verify system for this purpose; LSC was unable to determine how many political subdivisions use the system. Regardless, the e-verify system is provided to employers at no cost. Any new administrative procedures necessary to use the system would likely generate either insignificant or no new administrative costs.

Ohio employers other than state agencies would be required to file confirmation of their registration with the e-verify system along with their annual Ohio tax return. This confirmation would then be collected and processed by the Department of Taxation. Because the bill does not specify what form this confirmation is to take or how it is to be filed and processed, it is anticipated that this requirement would add no new significant administrative duties for the Department of Taxation, and therefore no new significant costs.

Similarly, the bill would require all jails to make a reasonable attempt to verify the citizenship of confined individuals. If the confined individual is an alien not lawfully admitted to the United States, the jail would be required to transmit the individual's information, including fingerprints, to the U.S. Department of Homeland Security. If citizenship status cannot be determined, jails would be required to transmit this information to the Department of Homeland Security as well. A representative of the Buckeye State Sheriff's Association informed LSC that this provision is unlikely to

increase costs beyond minimal amounts for those entities that operate jails, as the bill only requires jail officials to make a "reasonable effort" to determine the citizenship of inmates and as information regarding inmates whose citizenship is in question could be transferred to the Department of Homeland Security using existing resources, such as e-mail. Additionally, it is possible that the same e-verify system used by employers could also be used by jails for this purpose.

Procurement and public contracts

Under the bill, after July 1, 2009, all public employers would be prohibited from entering into a contract with any vendor unless that vendor also uses a federal work-status verification system, as described above. All contracts entered into before July 1, 2009 would remain in effect unaltered. Though it is not expressly stated in the bill, it is assumed that the Department of Administrative Services' Office of Procurement Services would be required to verify potential contractors' compliance with the provisions of the bill. There are likely to be some new administrative costs associated with this responsibility.

As the e-verify system is provided free of charge to employers who are already required by federal law to attempt to verify the work eligibility of new employees, this provision is not expected to have any effect on the number or type of vendors providing services and goods to the state or its political subdivisions. Ultimately, this means that the cost of obtaining those goods and services is not expected to be affected. However, it should be noted that vendors residing outside of Ohio, who might not have otherwise opted to do so, would have to register with and use the e-verify system in order to continue to supply Ohio government agencies with goods and services. State agencies, institutions of higher education, and political subdivisions spend over \$500 million annually on goods and services procured on their behalf by the Department of Administrative Services.